

EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

**GOV. MSG. NO. 1109**

July 7, 2020

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Thirtieth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Thirtieth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

Re: SB75 SD2 HD1

Pursuant to Section 16 of Article III of the State Constitution, SB75 SD2 HD1, entitled "A BILL FOR AN ACT RELATING TO APPROPRIATIONS." became law as ACT 008 (20), Session Laws of Hawaii 2020, on July 7, 2020.

The purposes of this bill are to:

1. Appropriate federal funds designated for the State of Hawaii from the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), Public Law 116-136, to:
  - a. The Department of Defense;
  - b. The Department of Labor and Industrial Relations;
  - c. The Department of Human Services; and
  - d. The Counties of Hawaii, Maui, and Kauai.
2. Authorizes the issuance of instruments of indebtedness in the sum of \$2,100,000,000 for the purpose of the Municipal Liquidity Facility under section 13 (3) of the Federal Reserve Act, 12 U.S.C. § 43(3), for fiscal year 2020-2021.
3. Deposits the remaining federal funds designated for the State of Hawaii by the CARES Act to the Emergency and Budget Reserve Fund.

Section 11 of this bill authorizes the issuance of instruments of indebtedness in the sum of \$2,100,000,000 under the federal Municipal Liquidity Facility for fiscal year 2020-

Recipient Name  
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2021. Such instruments of indebtedness are bonds that require legislative authorization pursuant to article VII, section 13 of the Hawaii State Constitution. However, as passed this bill did not meet the bond declaration requirements because the constitutional requirements that allow for exceeding the debt limit if an emergency condition exists had not yet been fulfilled. Consequently, section 11 of this bill violates article VII, section 13 of the Hawaii State Constitution.

Furthermore, various other allocations could not be encumbered and/or expended before June 30, 2020.

We are relying on additional legislation that will resolve the constitutionality issue and ensure that we can continue to move forward in our economic recovery.

For the foregoing reasons, I allowed SB75 SD2 HD1 to become law without my signature.

With warmest regards,

A handwritten signature in black ink that reads "David Y. Ige". The signature is fluid and cursive, with a large, sweeping flourish at the end of the name.

David Y. Ige  
Governor, State of Hawai'i

# A BILL FOR AN ACT

RELATING TO APPROPRIATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. The legislature finds that the virus known as  
3 "SARS-CoV-2" causes a disease named "coronavirus disease 2019"  
4 (COVID-19), which was first detected in Wuhan City, Hubei  
5 Province, China, in December 2019. This respiratory disease has  
6 since spread globally to more than two hundred countries,  
7 including the United States. On March 11, 2020, the World  
8 Health Organization declared the outbreak of COVID-19 to be a  
9 pandemic.

10 In February 2020, the department of health was notified of  
11 a Japanese national who developed severe symptoms, sought  
12 medical care, and was tested and diagnosed with COVID-19 upon  
13 returning home after a trip to Hawaii that involved travel to  
14 both Maui and Oahu. The first positive case of COVID-19 in  
15 Hawaii was confirmed on March 6, 2020. Since then, over six  
16 hundred COVID-19 cases have been confirmed in the State.



1           The Coronavirus Aid, Relief, and Economic Security Act  
2 (CARES Act), Public Law 116-136, was enacted on March 27, 2020,  
3 to address the extensive economic fallout of the COVID-19  
4 pandemic. Among its provisions, Division A, Title V of the  
5 CARES Act provided \$1,250,000,000 to Hawaii for expenditures  
6 that are:

- 7           (1) Necessary and incurred due to the public health  
8                 emergency with respect to COVID-19;
- 9           (2) Not accounted for in the budget most recently approved  
10                 as of March 27, 2020, for state government; and
- 11           (3) Incurred between March 1, 2020, and December 30, 2020.

12           Accordingly, the purpose of this part is to appropriate  
13 funds received by the State from the CARES Act for the purpose  
14 of COVID-19 response activities and provide transparency and  
15 accountability for the use of those funds.

16           SECTION 2. There is appropriated out of the funds received  
17 by the State of Hawaii from the Coronavirus Aid, Relief, and  
18 Economic Security Act, Public Law 116-136, the sum of  
19 \$40,000,000 or so much thereof as may be necessary for fiscal  
20 year 2019-2020 to be used for coronavirus disease 2019, or  
21 COVID-19, response conducted pursuant to Public Law 116-136 and



1 associated guidance issued by appropriate federal agencies;  
2 provided that any COVID-19 related law enforcement activities  
3 are conducted in consultation with the attorney general;  
4 provided further that beginning June 1, 2020, a monthly report  
5 shall be submitted to the governor and the legislature that  
6 details all allocations and expenditures.

7 The sum appropriated shall be expended by the department of  
8 defense for the purposes of this section.

9 SECTION 3. There is appropriated out of the funds received  
10 by the State of Hawaii from the Coronavirus Aid, Relief, and  
11 Economic Security Act, Public Law 116-136, the sum of \$1,360,000  
12 or so much thereof as may be necessary for fiscal year 2019-2020  
13 to be used for the pandemic unemployment assistance program  
14 pursuant to Public Law 116-136 and associated guidance issued by  
15 appropriate federal agencies; provided that beginning June 1,  
16 2020, a monthly report shall be submitted to the governor and  
17 the legislature that details all allocations and expenditures.

18 The sum appropriated shall be expended by the department of  
19 labor and industrial relations for the purposes of this section.

20 SECTION 4. There is appropriated out of the funds received  
21 by the State of Hawaii from the Coronavirus Aid, Relief, and



1 Economic Security Act, Public Law 116-136, the sum of \$8,154,000  
2 or so much thereof as may be necessary for fiscal year 2019-2020  
3 to be used for information technology, systems, and staffing  
4 pursuant to Public Law 116-136 and associated guidance issued by  
5 appropriate federal agencies; provided that beginning June 1,  
6 2020, a monthly report shall be submitted to the governor and  
7 the legislature that details all allocations and expenditures.

8 The sum appropriated shall be expended by the department of  
9 labor and industrial relations for the purposes of this section.

10 SECTION 5. The following positions are authorized to be  
11 funded by federal funds received pursuant to Public Law 116-136  
12 by the department of labor and industrial relations:

13 (1) Three full-time equivalent (3.0 FTE) hearings  
14 officers;

15 (2) Thirty full-time equivalent (30.0 FTE) claims  
16 assistants; and

17 (3) Nine full-time equivalent (9.0 FTE) auditors;

18 provided that beginning June 1, 2020, a monthly report shall be  
19 submitted to the governor and the legislature on the status of  
20 these positions.



1 SECTION 6. There is appropriated out of the funds received  
2 by the State of Hawaii from the Coronavirus Aid, Relief, and  
3 Economic Security Act, Public Law 116-136, the sum of \$2,000,000  
4 or so much thereof as may be necessary for fiscal year 2019-2020  
5 to be used for information technology and other systems pursuant  
6 to Public Law 116-136 and associated guidance issued by  
7 appropriate federal agencies; provided that beginning June 1,  
8 2020, a monthly report shall be submitted to the governor and  
9 the legislature that details all allocations and expenditures.

10 The sum appropriated shall be expended by the department of  
11 human services for the purposes of this section.

12 PART II

13 SECTION 7. The legislature finds that the Coronavirus Aid,  
14 Relief, and Economic Security Act (CARES Act), Public Law  
15 116-136, provided \$1,250,000,000 to Hawaii. Of this amount,  
16 only the city and county of Honolulu received a direct  
17 allocation of \$387,176,021.

18 The CARES Act also provided an expansion of the Federal  
19 Reserve's Municipal Liquidity Facility program, which can  
20 provide up to \$500,000,000,000 in direct financing to states,  
21 counties, and cities to help ensure they have the funds



1 necessary to provide essential services and respond to the  
2 coronavirus pandemic. Specifically, the Municipal Liquidity  
3 Facility program is designed to help offset any short-term  
4 losses in tax revenues resulting from reduced business and  
5 consumer activity due to the coronavirus pandemic. The city and  
6 county of Honolulu has been granted access to \$550,500,000 in  
7 loan capacity through this program. The counties of Hawaii,  
8 Maui, and Kauai can only access this program via state  
9 authorization and application.

10 In order to assist all counties and ensure that all  
11 counties have access to these fiscal options, the purpose of  
12 this part is to:

- 13 (1) Distribute a portion of the State's share of CARES Act  
14 funding to the counties of Hawaii, Maui, and Kauai;  
15 and
- 16 (2) Provide a means by which the counties can utilize the  
17 Municipal Liquidity Facility program.

18 SECTION 8. There is appropriated out of the funds received  
19 by the State of Hawaii from the Coronavirus Aid, Relief, and  
20 Economic Security Act, Public Law 116-136, the sum of  
21 \$80,009,671 or so much thereof as may be necessary for fiscal





1 year 2019-2020 to be used for coronavirus disease 2019, or  
2 COVID-19, response conducted pursuant to Public Law 116-136 and  
3 associated guidance issued by appropriate agencies; provided  
4 that:

- 5 (1) The county of Hawaii shall coordinate with the  
6 department of health and appropriate medical and  
7 nursing professionals when implementing contact  
8 tracing and testing programs;
- 9 (2) The mayor of the county of Hawaii shall consult with  
10 the Hawaii county council before expending any of the  
11 funds appropriated by this section; and
- 12 (3) Beginning June 1, 2020, the county of Hawaii shall  
13 submit a monthly report to the governor and the  
14 legislature that details all allocations and  
15 expenditures.

16 The sum appropriated shall be expended by the county of  
17 Hawaii for the purposes of this section.

18 SECTION 9. There is appropriated out of the funds received  
19 by the State of Hawaii from the Coronavirus Aid, Relief, and  
20 Economic Security Act, Public Law 116-136, the sum of  
21 \$66,598,757 or so much thereof as may be necessary for fiscal



1 year 2019-2020 to be used for coronavirus disease 2019, or  
2 COVID-19, response conducted pursuant to Public Law 116-136 and  
3 associated guidance issued by appropriate agencies; provided  
4 that:

- 5 (1) The county of Maui shall coordinate with the  
6 department of health and appropriate medical and  
7 nursing professionals when implementing contact  
8 tracing and testing programs;
- 9 (2) The mayor of the county of Maui shall consult with the  
10 Maui county council before expending any of the funds  
11 appropriated by this section; and
- 12 (3) Beginning June 1, 2020, the county of Maui shall  
13 submit a monthly report to the governor and the  
14 legislature that details all allocations and  
15 expenditures.

16 The sum appropriated shall be expended by the county of  
17 Maui for the purposes of this section.

18 SECTION 10. There is appropriated out of the funds  
19 received by the State of Hawaii from the Coronavirus Aid,  
20 Relief, and Economic Security Act, Public Law 116-136, the sum  
21 of \$28,715,551 or so much thereof as may be necessary for fiscal



1 year 2019-2020 to be used for coronavirus disease 2019, or  
2 COVID-19, response conducted pursuant to Public Law 116-136 and  
3 associated guidance issued by appropriate agencies; provided  
4 that:

- 5 (1) The county of Kauai shall coordinate with the  
6 department of health and appropriate medical and  
7 nursing professionals when implementing contact  
8 tracing and testing programs;
- 9 (2) The mayor of the county of Kauai shall consult with  
10 the Kauai county council before expending any of the  
11 funds appropriated by this section; and
- 12 (3) Beginning June 1, 2020, the county of Kauai shall  
13 submit a monthly report to the governor and the  
14 legislature that details all allocations and  
15 expenditures.

16 The sum appropriated shall be expended by the county of  
17 Kauai for the purposes of this section.

18 SECTION 11. The director of finance is authorized to issue  
19 instruments of indebtedness in the sum of \$2,100,000,000 or so  
20 much thereof as may be necessary for fiscal year 2020-2021 and  
21 the same sum or so much thereof as may be necessary is



1 appropriated for fiscal year 2020-2021 for the purpose of  
2 municipal liquidity facility under section 13(3) of the Federal  
3 Reserve Act, codified at 12 United States Code section 343(3).

4 PART III

5 SECTION 12. The Paycheck Protection Program and Health  
6 Care Enhancement Act (PPHCEA), Public Law 116-139, was enacted  
7 on April 24, 2020, to further address the extensive fallout of  
8 the COVID-19 pandemic. This Act provided \$11,000,000,000 to  
9 states and other entities for necessary expenses to:

- 10 (1) Develop, purchase, administer, process, and analyze  
11 COVID-19 tests, including support for workforce,  
12 epidemiology, and use by employers or in other  
13 settings;
- 14 (2) Scale up of testing by public health, academic,  
15 commercial, and hospital laboratories, and community-  
16 based testing sites, health care facilities, and other  
17 entities engaged in COVID-19 testing, and
- 18 (3) Conduct surveillance, trace contacts, and other  
19 activities related to COVID-19 testing.

20 The State will receive \$50,283,598 for these activities  
21 pursuant to Public Law 116-139.



1           The purpose of this part is to make appropriations for  
2 testing, contact tracing, thermal screening, and other efforts.

3           SECTION 13. There is appropriated out of the funds  
4 received by the State of Hawaii from the Paycheck Protection  
5 Program and Health Care Enhancement Act, Public Law 116-139, the  
6 sum of \$36,000,000 or so much thereof as may be necessary for  
7 fiscal year 2019-2020 to be used for thermal screening programs  
8 pursuant to Public Law 116-139 and associated guidance issued by  
9 appropriate federal agencies; provided that beginning June 1,  
10 2020, a monthly report shall be submitted to the governor and  
11 the legislature that details all allocations and expenditures.

12           The sum appropriated shall be expended by the department of  
13 transportation for the purposes of this section.

14           SECTION 14. There is appropriated out of the funds  
15 received by the State of Hawaii from the Paycheck Protection  
16 Program and Health Care Enhancement Act, Public Law 116-139, the  
17 sum of \$14,000,000 or so much thereof as may be necessary for  
18 fiscal year 2019-2020 to be used for outbreak control, contact  
19 tracing programs, and personal protective equipment, pursuant to  
20 Public Law 116-139 and associated guidance issued by appropriate  
21 federal agencies; provided that beginning June 1, 2020, a



1 monthly report shall be submitted to the governor and the  
2 legislature that details all allocations and expenditures.

3 The sum appropriated shall be expended by the department of  
4 health for the purposes of this section.

5 PART IV

6 SECTION 15. There is appropriated out of the funds  
7 received by the State of Hawaii from the Coronavirus Aid,  
8 Relief, and Economic Security Act, Public Law 116-136, the sum  
9 of \$635,986,000 to be deposited into the emergency and budget  
10 reserve fund; provided that all moneys deposited into the  
11 emergency and budget reserve fund pursuant to this section shall  
12 be kept in a separate and distinct account within the emergency  
13 and budget reserve fund.

14 PART V

15 SECTION 16. This Act, upon its approval, shall take effect  
16 on May 1, 2020; provided that section 11 shall take effect on  
17 July 1, 2020.

APPROVED this                      day of                      , 2020

GOVERNOR OF THE STATE OF HAWAII

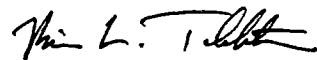
THE HOUSE OF REPRESENTATIVES OF THE  
STATE OF HAWAII

Date: May 18, 2020  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Third Reading in the House of Representatives of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2020.



Scott K. Saiki  
Speaker  
House of Representatives



Brian L. Takeshita  
Chief Clerk  
House of Representatives

**THE SENATE OF THE STATE OF HAWAI'I**

Date: May 21, 2020  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirtieth Legislature of the State of Hawai'i, Regular Session of 2020.



President of the Senate



Clerk of the Senate